

NEW ENGLAND RARE COIN REPORT

The Rare Coin Catalog of New England Rare Coin Galleries

APRIL-JUNE, 1982

AUCTION REPORT: THE 1982 F.U.N. SALE



AN INVESTMENT
COUNSELOR'S VIEW
ON RARE COINS

NEW ENGLAND RARE COIN REPORT

3 Special Feature Offering

This issue of *The New England Rare Coin Report*, our Special Feature Offering is a stunning six-piece gold type set in Mint State-63 condition. Gold has long been the most precious and sought-after metal – and the gold numismatic coinage offered in this set is of the finest quality.

4 Morgan Dollar Sets

Also offered in this catalog are beautiful Morgan Dollar Sets from the New Orleans and Carson City Mints. The Morgan Silver Dollar, considered by many coin experts to be the backbone of the numismatic marketplace, is one of the most collectible of all rare U.S. coins.

8 1907 St. Gaudens Gold

Ask any numismatist what the most beautifully-designed coin in United States history was. The most common answer will be: The \$20 Gold St. Gaudens piece. New England now offers high relief specimens of this lovely coin in Mint State-65.

9 Rare Coin Guild Offers

This issue, New England's Rare Coin Guild offers you three very special collectible coins, perfect for any investor's portfolio.

14 Special Editorial Features

Our Market Report, An Investment Counselor's View of Rare Coins, and other informative features highlight this issue's editorial section.

NEW ENGLAND RARE COIN GALLERIES

Founded in 1968 by James L. Halperin, New England Rare Coin Galleries is the largest rare coin firm in the world today. A full-service organization, New England covers every aspect of the numismatic field, including rare U.S., ancient and foreign coinage, collectible U.S. currency, rare coin auctions, and numismatic investment vehicles.

From its corporate headquarters located in the heart of Boston's financial district at 89 Devonshire Street, as well as through its branch offices in Paris and Düsseldorf, New England serves a client base of over 12 million collectors and investors. In fact, in 1981, New England's rare coin sales volume exceeded \$30 million.

New England is proud of its many achievements in the area of numismatic investment, including the creation and management of the first publicly-offered, SEC-registered rare coin partnership. The expert staff of numismatic professionals at New England works with each client to assemble investment portfolios with real growth potential.

The firm's auction division, New England Rare Coin Auctions, conducts several prestigious sales each year throughout the country, and is noted for the high quality of consignments featured, and the record-breaking prices these coins bring.

From acquisition to liquidation, New England meets all the needs of today's rare coin collector and investor. ■

NEW ENGLAND RARE COIN REPORT

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SPECIAL SIX PIECE GOLD TYPE SET

Gold – a magic word within the numismatic community. Many of the finest collections of U.S. coins have showcased gold specimens. Coin dealers delight in handling these attractive, Mint State American gold coins, which are often much scarcer than mintages suggest, since large quantities have been melted down throughout the years. In fact, Mint State examples of most nineteenth and early twentieth century issues are rare, and in some cases, non-existent.

While the value of gold, per ounce, has fluctuated wildly from \$250 to a high of over \$800 and back to \$300 within the past five years, the performance of Mint State gold coins has been far less volatile. The high intrinsic value and small available supply offer a dual-edged potential for appreciation matched by few areas of American numismatics.

New England Rare Coin Galleries is pleased to offer a six-piece gold type set, including examples of all denominations from the gold dollar to the double eagle. All coins are a very pleasing Mint State-63.

Included in this set are specimens of the following gold coinage:

Liberty Head Gold Dollar,
Type One, MS-63.

A short-lived type, issued from 1849 through 1854. Of the twelve million struck,

many were melted down during the Civil War.

Liberty Head Quarter Eagle, MS-63.

Only five dates in the entire 1840 to 1907 series have mintages greater than 500,000 pieces.

Three Dollar Gold, MS-63.

Longacre's beautiful Indian Princess design in handsome Mint State. The lowest-mintage of all U.S. denominations, a total of just 540,000 pieces were struck during the coin's 35 years of production from 1854 to 1889.

Liberty Head Half Eagle, Mint State-63.

This series is ever-popular with collectors, and contains many underrated 'sleepers'.

Liberty Head Eagle, Mint State-63

Mint State pieces have great eye appeal.

Liberty Head Double Eagle, Mint State-63.

Popular for its nearly one ounce gold content.

New England is able to offer this attractive six-coin package at a special price of \$7,200.00. This gold set combines great diversity and pleasing condition with elements of scarcity and beauty – a winning mixture for future appreciation or to simply enjoy as a reminder of the days when the American dollar was "as good as gold". ■



MORGAN DOLLAR SETS

from the NEW ORLEANS AND CARSON CITY MINTS

For nearly twenty years, the Morgan Dollar has formed the backbone of the American numismatic market. Thousands of collectors and investors have flocked to acquire items in the series, as the availability of certain issues has increased in recent years, and the steady, long-term rise in values has provided an excellent hedge against inflation.

The Morgan Dollar market continues to gain momentum, as increasing numbers of numismatists come to appreciate the tremendous appeal of these beautiful century-old coins. This momentum is reflected in the recent upsurge in bourse, Want List, and auction activity. Quality specimens find eager buyers, and the supply of choice specimens is dwindling noticeably in the face of ever-increasing demand.

This supply/demand imbalance bodes well for the potential of the Morgan Dollar market. Yet, many beginning investors, as well as experienced collectors, are overwhelmed by the series. Assembling a complete 100-piece set requires enormous patience and financial resources, and is out of the realm of possibility for all but a select few.

One alternative that offers a com-

bination of challenge and investment potential at a reasonable cost is to assemble a set of Morgan Dollars struck at a particular mint. New England Rare Coin Galleries is pleased to offer "starter sets" of Carson City and New Orleans Mint dollars at a special price. Either set would form the nucleus for a complete specialized mint set, as well as offer exceptional investment value.



Set One is composed of Carson City Morgan Dollars from 1878, 1880, 1881, 1882, 1883, and 1884, all in Mint State-65 condition.

These Carson City coins have long been a favorite of collectors. Born during the legendary era of the Comstock Lode and other silver bonanzas, the coins are part of the legacy of the short-lived and controversial Carson City mint.

Many issues have a low-mintage appeal that was promoted and enhanced by the General Services Administration (GSA) during the great Carson City dollar sales of the mid-1970s. Despite the release of those coins, most were only MS-60 to MS-63, and Gem Mint State pieces remain elusive.

New England is pleased to offer this set of Gem Mint State Carson City Dollars at the special price of \$1,350.00 for all six coins.

Set Two consists of six New Orleans Morgan Dollars from the years 1898, 1899, 1900, 1901, 1902 and 1904, in Mint State-65 condition.

Until the early 1960's, certain New Orleans silver dollar issues, notably the 1898, 1903, and 1904 were considered extremely rare in Mint State. It was believed that most had been melted down in the



period from 1918-1920 under the provisions of the Pittman Act. While it was true that most had been melted, the U.S. Treasury had retained several bags of all late New Orleans Dollar issues in their vaults. When this was discovered by numismatists in the early 1960s, the effect on the numismatic market was electrifying. The dispersal of these coins made the formerly rare New Orleans issues accessible to thousands of coin enthusiasts, who built collections around this popular series. It was the birth of the silver dollar boom, and thrust the Morgan Dollar into

the forefront of the U.S. coin market.

These coins have long since been widely dispersed throughout the collector/investor community. Gem Mint State examples with frosty lustre and reasonably sharp detail remain quite elusive and are in

constant demand by discerning collectors.

New England Rare Coin Galleries is proud to offer these important New Orleans Morgan Dollars, all six dates in Gem Mint State-65 condition, at the low price of \$1,750.00 ■



Special Offer: buy both sets of Morgan Dollars, 12 coins in MS-65, and receive a 10% discount.

1854 TYPE II GOLD DOLLAR

MINT STATE 68

The gold dollar was a relative latecomer to the American coinage system. The original Mint Act of 1792 provided for only three gold denominations (\$2.50, \$5 and \$10), while the one dollar coin was to be composed of 416 grams of silver alloy. Although silver dollars were minted from 1794 through 1804, and again after 1840, they were seldom found in circulation.

The first gold dollar issued in the United States was not of government origin. About 1831, Christopher Bechtler, of Rutherfordton, North Carolina, began striking one dollar gold pieces, as well as \$2.50 and \$5 coins from metal mined during the Southern Appalachian Gold Rush. The Bechtler coins were of excellent quality and fineness, and were widely accepted in circulation for many years.

The Southern Appalachian gold strike resulted in an increase in the domestic gold supply, pointing out the need for flexibility in the U.S. coinage system. As early as 1836, Mint Director Robert Patterson had advocated the coinage of gold dollars. Patterns were struck in anticipation of such authorization. Article 10 of the Act of January 18, 1837, provided for a gold dollar of 28.5 grains, but the plan was never executed. Gold dollars were not issued until after the second major discovery of gold in the United States, in California.

This California Gold Rush again prompted Congress to provide greater flexibility in American gold coinage. The Act of March 3, 1849, authorized two new denominations – the gold dollar and the double eagle.

Gold dollars were first issued for circulation in 1849, using the Coronet Liberty Head (Type One) motif, designed by Mint Engraver James Longacre.

While the coins proved quite popular with the public, it soon became obvious that the tiny 13mm diameter of the dollars caused problems in handling. The mint sought to increase the diameter of the gold dollar and in 1852, patterns were struck from perforated, or holed, planchets, allowing an increase in diameter to 17mm. The problems inherent in the production of perforated coins apparently outweighed the benefits of increased diameter, for this option, too, was rejected in favor of a simpler method.

The mint reduced the thickness of the planchet which allowed for an increase in diameter to 15 mm. These larger diameter coins were first issued in 1854. The obverse was redesigned by Longacre and featured a female head crowned with tall plumes, similar to the three dollar gold piece first issued in the same year. The design was a radical departure from the traditional Coronet Liberty Head

and the Seated Liberty motifs used on U.S. coins of the day, and was the first really "fresh" design concept in American coinage since the introduction of the Seated Liberty style in the 1830s. This "Small Indian Head" or Type Two, dollar was to be very short-lived, owing to serious production problems.

It seemed the Small Indian Head portrait was executed in relatively high relief. This resulted in weakly struck areas on the corresponding areas of the reverse. This particularly affected the word "dollar" and the date, and most Type Two dollars that survive exhibit some degree of weakness in that area. Clearly, the Mint had to overcome the problem of weak strike in gold dollars.

By the end of 1855, the gold dollar was once again redesigned. Longacre made the head more broad and shallow, resolving most of the production problems. This "Large Indian Head" or Type Three, dollar was minted from 1856 until the denomination was terminated in 1889.

RARITY OF THE TYPE II GOLD DOLLAR

The Small Indian Head, or Type Two, is by a wide margin the rarest of the three gold dollar types. While over 12 million Type One and 4.3 million Type Three dollars were struck, the total mintage of Type

GUIDE BOOK VALUES FROM COMMON DATE EXAMPLES IN MINT STATE-60

	1962	1972	1982
\$1. Type Two	\$85	\$475	\$5,000
\$3. Gold	\$175	\$350	\$3,500

APPEARANCES AT AUCTION IN MINT STATE-65 OR BETTER

	1976	1977	1978	1979	1980	Totals
\$1 Type Two	1	0	3	5	0	9
\$3 Gold	12	31	38	12	23	116

Source: Rome's Prices Realized for U.S. Coins

Two dollars amounted to only 1.6 million coins. In addition to this low mintage, three factors worked against the survival of Type II gold dollars.

First, there were only a handful of active numismatists in America during the mid-1850s. Thus, few, if any, of the coins were carefully chosen to be preserved in collections. Secondly, the gold dollars minted prior to the Civil War were very popular with the general public, and saw active use. The reduced thickness and very open fields of the Type II design made it susceptible to damage through handling. Finally, during the Civil War, "greenbacks" and wartime inflation drove "good" money – gold and silver – out of circulation. These coins were hoarded and melted down on a large scale, and it is likely that much of the Type Two mintage was lost in this manner.

This triple assault took its toll on the Type Two dollar. Of the estimated 1000 to 1500 examples that survived of all Type Two issues, the average grade is between EF-40 and EF-45, and many are impaired. This places the Type Two dollar in the position of the rarest post-1840 American gold type, an important fact that was not

widely recognized, or accorded a premium, until the 1970s.

As shown in the accompanying table, the \$3 gold type was given a much higher guide book value than the Type Two dollar throughout the 1960s. However, by the early 1970s, type coin collecting gained a new vigor, numismatic scholarship improved, and the premium shifted to the rarer Type Two dollar. That margin continues to widen and is likely to expand in the future as the relative rarity of these two gold types is better understood.

Mint State examples of the most common Type Two dollar (1855) are at least twice as rare as Mint State examples of the most common \$3 gold piece (1878). Cumulative totals of all dates within each type reveal that Mint State Type Two gold dollars are at least four times as rare as Mint State \$3 gold pieces. In Gem or Superb Mint State, the difference in rarity expands exponentially.

As the second table indicates, the Type Two dollar is *many* times more rare than the elusive \$3 gold piece in Gem and Superb Mint State – actually on the order of ten times as rare. Considering that \$3 gold pieces in superb condition have realized strong five-figure prices at auction, and on the bourse

floor, the beautiful Mint State-68 Type Two dollar being offered here by New England Rare Coin Galleries represents prime numismatic value as well as excellent appreciation potential.

THE OUTSTANDING MS-68 TYPE TWO GOLD DOLLAR

This amazing 1854 Type Two gold dollar is a virtually unimprovable Mint State-68 with an exceptional strike. Its surfaces blaze with an unbroken frosty lustre and are near perfection. Pristine and original, this delightful coin ranks as one of the finest New England has ever seen or handled.

As one of the best examples extant of both this elusive date and rare type, this coin would grace any numismatic collection. A combination of extreme rarity and exquisite quality, this Type Two dollar holds tremendous appeal for both the connoisseur of American coinage, and the investor who demands the ultimate in U.S. gold type material.

The opportunity to possess this fabulous coin should not be taken lightly, as it is quite possible that no finer specimen of this important type will surface for some time to come. For more information on this exceptional item, call New England, toll-free, 800-225-6794. ■

1907 HIGH RELIEF SAINT GAUDENS

\$20 GOLD MS-65

Most numismatists consider the 1907 High Relief Double Eagle to be the most beautiful regular-issue coin ever minted by the U.S. government. At the time, President Theodore Roosevelt desired a more aesthetically pleasing, classically inspired coinage, and enlisted the help of sculptor Augustus Saint-Gaudens, who had designed an inaugural medal for him. Saint-Gaudens was probably the most respected and gifted sculptor of the early twentieth century, and Roosevelt urged him to direct his energies toward the restyling of America's gold coinage.

Saint-Gaudens applied his genius to the redesign of the Double Eagle, creating a coin of truly classic proportions. His nobly-sculpted 1907 High-Relief \$20 gold coin was stunningly beautiful, depicting a robed Liberty striding forward, bearing high the torch as a symbol of truth. The high relief format was reminiscent of the most elegant of ancient Greek coins, and gave the design a three-dimensional realism unmatched in American coinage.

Unfortunately, despite the beauty of the design, the high relief format also caused problems. It proved unsuitable for high speed production methods, requiring three blows from the dies to strike up fully. The coins also did not stack up well, and this fact caused

The beauty and scarcity of the low-mintage Double Eagle will continue to attract investors and collectors for many years to come, and, as this popularity will bear on a small supply of choice examples, strong support for the value of this issue can be anticipated in the future.



disenchantment within the banking community. Thus, after only 11,250 pieces were minted, production was halted, and a lower relief style was substituted, with the date in Arabic numerals rather than the Roman numerals used on the high relief coins.

Today, these pieces are among the most widely-sought American coins. Their beauty is legend, and they draw unqualified admiration from those who appreciate that even American coinage can adhere to the classical principles of design and balance and make a bold, yet elegant, statement.

The beauty and scarcity of the low-mintage Double Eagle will continue to attract investors and collectors for many years to come, and, as this popularity will bear on a small supply of choice examples, strong support for the value of this issue can be anticipated in the future.

New England Rare Coin Galleries is pleased to offer this outstanding coin selection, in Mint State-65 condition, at the price of \$18,500.00. ■



THE RARE COIN GUILD

New England's Rare Coin Guild is a monthly coin acquisition program which provides the client with an easy, effortless way to build a substantial rare coin portfolio with true growth potential.

As a member of the Guild, you will work with a personal Account Representative to build your portfolio, in accordance with the program you select, and the amount you wish to spend each month. The Rare Coin Guild offers three basic programs: The

Diversified Investment Program, Twentieth Century Program, and the U.S. Silver Dollar Program. Participation in the Guild is available for as little as \$100 per month.

The Rare Coin Guild provides the optimal mix of expert service and flexibility to the client who wishes to explore the rare coin investment alternative without devoting hours of time and research. For more information about the Rare Coin Guild, call New England, toll-free, 800-225-6794. ■

RARE COIN GUILD SPECIAL

TEN SEN (1912-1917)

Coinage from the Far East is currently enjoying a surge in popularity, and New England's Rare Coin Guild is giving its members the opportunity to acquire a superb specimen from Imperial Japan.

The obverse of this coin features the sunburst pattern, encircled by cherry blossoms. A bilingual inscription denoting both the date and the denomination of the coin surrounds the central device.

The coin's reverse displays a wreath of lotus leaves and blossoms, as well as the denomination, and is crowned by a chrysanthemum, Japan's Imperial flower.

This coin was struck between 1912 and 1917, by the Emperor Yoshihito, who ruled from 1912 until his death in 1926. These years, referred to as the Taisho



Period, mark Japan's emergence as a world power.

During World War I, Japan successfully pursued an alliance with the victorious nations. At the war's conclusion, however, the Japanese Empire embarked on a vigorous campaign of military expansionism, which ultimately led to the onset of World War II.

Mint State Japanese coins, especially those from the early years, are rarely available, and should prove to be excellent investments, as well as items of enduring historic value. ■

PURCHASING INFORMATION:

Japanese Ten Sen MS-65 Brill

One Coin: \$90

5% discount on the purchase of two coins, 10% on the purchase of three coins, and 15% off the purchase of 4 or more coins.

RARE COIN GUILD SPECIALS

STONE MOUNTAIN COMMEMORATIVE

HALF DOLLAR

New England Rare Coin Guild gives its members the opportunity to own a rare piece of Americana with this offering of the Stone Mountain Half Dollar, struck in 1925, to commemorate the courage of the Confederate troops during the Civil War.

The obverse of this coin bears a representation of Gutzon Borglum's equestrian figures of Generals Robert E. Lee and Thomas "Stonewall" Jackson. The thirteen stars around them symbolize the thirteen seceding Southern states. This design is a version of sculptor Borglum's planned Stone Mountain Memorial, where he envisioned a Confederate Mount Rushmore, with Jefferson Davis following Lee and Jackson, as well as columns of Confederate soldiers, all carved into the face of Stone Mountain, in Northwest Georgia. The monument was intended as a memorial to the valor of "the Soldier of the South", a legend which appears on the reverse of the commemorative half dollar.

Also appearing on the coin's reverse is an eagle perched upon a granite dome. Thirty-five stars are strewn across the background, representing the reunited Union and Confederate states.



Borglum's dream of creating a giant memorial to the bravery of the Southern forces carved from the face of Stone Mountain never reached fruition, due to its size, expense, and the artist's own stormy temperament. However, the Stone Mountain Half Dollar endures not only as a lasting tribute to the glory that was the South, but as a superb example of numismatic art. ■

PURCHASING INFORMATION:

Stone Mountain Commemorative
Half Dollar, MS-65

One coin: \$100

5% discount on the purchase of
two coins, 10% on the purchase of
3 coins, and 15% off the purchase
of 4 or more coins.

MERCURY DIMES AND WALKING LIBERTY HALF DOLLARS

As a special offering to its members, New England Rare Coin Guild is featuring two of this century's most beautiful and popular coins: the Walking Liberty Half Dollar and the Mercury Dime.

Both series were introduced in 1916 as part of a major revision of the nation's minor silver coinage. Designed by Adolph A. Weinman, the coins replaced the Barber series, which epitomized nineteenth century conventional designs.

The Winged Liberty Head, or Mercury, dime draws from a background of Greco-Roman Classicism, and depicts, on the obverse, a young Liberty wearing the traditional cap. According to Weinman himself, "The wings crowning her cap are intended to symbolize liberty of thought."

Inspired by the nation's desire for peace in the face of impending war in Europe, Weinman portrays the fasces of war and justice, set off by the olive branch of peace. He selected "the fasces and olive branch to symbolize the strength which lies in unity, while the battleax stands for preparedness to defend the union. The branch of olive is symbolic of our love for peace."

The Mercury dime was widely recognized among numismatists as the handsomest of American coins during its 30-year production. The death of President Franklin Roosevelt in 1945, and the introduction of the dime bearing his image in 1946, brought an end to the minting of the Mercury dime, but its popularity among contemporary collectors endures.

The Walking Liberty Half Dollar, another of Weinman's works, also made its debut in 1916. Clearly one of America's most attractive coins, the obverse design was influenced by Roty's "La Semeuse" (The Sower), which was depicted on



several minor French silver coins. However, Weinman's design is of a graceful, dignified Liberty, imbued with an aura of power and vitality.

The reverse of the coin depicts a distinctly American theme, featuring an eagle perched high on a mountain crag, exuding both confidence and fearlessness.

On the Denver and San Francisco issues for 1916 and part of 1917, the mintmarks appear on the obverse of the coin, just below the date. Later in 1917, the mintmark was moved to the reverse of the coin, to the left of the eagle.

Although it was replaced by the Franklin Half Dollar in 1948, Weinman's Walking Liberty, along with the Mercury Dime, epitomized the ultimate in governmental art during this period. The enduring popularity and demand for these coins are an indication of the timelessness of their themes and designs.

For Rare Coin Guild members, New England offers superb specimens of Weinman's unparalleled coins. Clients will receive both a Walking Liberty Half Dollar and a Mercury Dime at a special savings. These coins are not only exceptional values, they present a sound investment opportunity to the discerning collector. ■

PURCHASING INFORMATION:

Walking Liberty Half Dollar and Mercury Dime, Full Bands, MS-65, 1942 or 1943. (Our choice of dates, please).

The Pair: \$200.

5% discount for purchase of two sets, 10% on purchase of three sets, and 15% off on purchase of four or more sets.

AN INVESTMENT COUNSELOR'S VIEW OF THE RARE COIN MARKET

BY JERRY ROSE
WITH GERALDINE CUDDYER

My years of experience in handling investments have convinced me that investment-quality rare coins offer the greatest potential for a substantial return on one's investment. Additionally, I believe that rare coins are one of the least speculative investment options now available, because the overall trend of the market has been consistently up over many years. Through a careful analysis of these trends, together with the advice of a professional numismatist, I believe that the astute investor will realize an attractive return by investing in rare coins.

The history of rare coin investment shows that the market experiences five-to-seven year cycles. Each cycle consists of three phases: a phase when prices are dormant, a second phase when prices begin to climb upward, and a growth phase, when prices have been known to double in a matter of months, and then level off once again. Wise buyers take advantage of the peaks and valleys of the numismatic market to enhance their personal financial positions.

ON COIN INVESTMENT STRATEGIES

I must emphasize here that rare coins are a long-term investment vehicle. To realize the greatest profit, investors are advised to hold their coins for at least three to five years before liquidating. This is the point where many investors make their mistakes. In today's busy world, everyone is looking for a "get rich quick formula." My experience has taught me, however, that few investors ever make that big score through speculation and hunches. Numismatic investment will pro-

For 25 years, Jerry Rose has worked in the area of investments. During this time, he has become familiar with the workings of all the major investment vehicles: stocks, bonds, commodities, and tangibles, including rare coins.

As Manager for New England's Investment Division, Jerry maintains daily contact with clients from across the nation. Since Jerry has his fingers on the 'pulse' of the investment industry, we asked him to share his thoughts on a wide range of subjects relating to today's rare coin market.

vide a high return to the investor who is patient and heeds the advice of a reputable rare coin professional.

Some potential investors may wonder if this patience will really pay off in the long run. In my work as an investment counselor, I have found that nothing is as persuasive as an impartial third-party affirmation of the facts. To those skeptical of the performance rate of rare coins, I cite the report issued by Salomon Brothers, the prestigious New York investment banking firm, comparing the appreciation rates of various vehicles over a ten-year period. According to Salomon Brothers' findings, the long-term performance rate of rare coins is nothing short of phenomenal.

Additionally, it should be pointed out that the Salomon Brothers report is based on the appreciation potential of average investment-quality rare coinage. A diversified portfolio of better-than-average quality investment coins would have outperformed the Salomon Brothers sample. In fact, New England's Rare Coin Fund I, which

was composed of just such a group of high-quality investment coins, appreciated 520% in just four years! Of course, I certainly don't contend that such performance is the norm. I offer it as an example to demonstrate the astounding possibilities which exist within the area of numismatic investment.

ON THE IMPORTANCE OF INVESTMENT DIVERSITY

I learned one cardinal rule while involved in the securities business, which remains part of my approach to numismatic investment: diversifying one's assets is the key to success. I would never advocate that my client put all his investment dollars into rare coins, just as I would never suggest putting everything into stocks and bonds. I usually advise a potential investor that approximately 20% of his portfolio should be positioned in numismatic coins, varied by metal and type, as a prudent hedge against the ravages of inflation.

TODAY'S ECONOMY

As an investment counselor, it is important for me to watch for signals in the nation's economic activity which may affect my clients. I am convinced that we are well on the way to the return of inflation. The Reagan administration foresees a budget deficit of \$140 billion in fiscal 1983 and 1984, while the Congressional Budget Office predicts an even larger deficit. If these estimates are accurate, we will return to an inflationary period similar to 1979 and 1980. The average investor will not be able to protect himself through common investment vehicles. He must explore other alternatives to make a stand against inflation.

ON PRECIOUS METALS

Many of the self-styled investment "gurus" advocate gold or silver as the ultimate inflation hedge. It is true that these metals can be expected to appreciate substantially again in the future.

Table 1. Compound Annual Rates of Return

	10 Years	Rank	5 Years	Rank	1 Year	Rank
Oil	30.8%	1	20.9%	5	14.3%	6
Gold	28.0	2	30.7	3	-13.9	14
Oriental Carpets	27.3	3	20.9	6	-0.2	11
U.S. Coins	27.1	4	29.7	4	-8.0	12
U.S. Stamps	23.5	5	32.9	1	18.0	4
Chinese Ceramics	22.9	6	30.7	2	36.5	1
Silver	21.5	7	20.1	7	-26.6	16
Rare Books	16.8	8	13.8	11	18.0	5
Old Masters	15.4	9	16.8	9	22.9	3
Farmland	14.6	10	14.8	10	9.7	8
Diamonds	14.5	11	16.9	8	0.0	10
Housing	10.3	12	11.6	12	8.1	9
CPI	8.3	13	9.7	14	10.0	7
Stocks	5.8	14	9.8	13	25.3	2
Foreign Exchange	5.3	15	3.1	15	-17.3	15
Bonds	3.8	16	1.1	16	-9.6	13

All returns are for the period ending June 1, 1981, based on latest available data. Table prepared by Samuel Liss.

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However, the beauty of numismatic investment, as opposed to bullion, is that once the investment is made, the client can literally "forget" about his rare coins until the time comes to liquidate in three to five years.

Bullion, however, is far more volatile than rare coins and requires constant monitoring. Also, rare coins are of essentially fixed supply, whereas gold and silver are continually being mined from the ground.

As technology improves, and people have more leisure time and greater discretionary income, rare coins will tend to rise *faster* than the rate of inflation, while precious metals will tend to grow *with* the inflation rate.

Precious metals are an investment for the individual with the time and sense of adventure to pursue this option. But, for the investor who prefers to avoid this excitement, rare coins offer a proven avenue for success.

ON THE FUTURE

On September 25, 1981, James L. Halperin, founder and Chairman of the Board of New England Rare Coin Galleries, termed the current period an "historical buying opportunity." I am in complete

agreement with Mr. Halperin that we are in an unparalleled period for investors to take advantage of the market cycles for future appreciation.

Another indication that there is still plenty of life left in the tangible investment option is the fact that *Barron's* has begun to include the Sotheby's Index in their weekly publication.

The Index reports on the market activity of twelve categories of collectibles, including old masters' paintings, Chinese ceramics, English silver, American furniture, etc. The previous high reported for the Index was 253 in September 1980. The index for March, 1982, was 249, up from the September 1981 low of 244. This indicates that the collectibles market is beginning a comeback from the lows of 1981. Although numismatic coins are not included in the Index, I'm sure that anyone familiar with tangibles will see the correlation.

However, to make the most of his numismatic investment, the investor must deal with a reputable firm, backed by strong guarantees, and view his investment as at least a three-to-five year commitment. Following these guidelines, I'm convinced that virtually any wise numismatic investor can realize a profit on his or her money! ■

MARKET REPORT

BY JIM HALPERIN, CHAIRMAN OF THE BOARD, NEW ENGLAND RARE COIN GALLERIES

After some careful observation at the many coin shows which are attended by New England's representatives, I feel confident that the collectors, who are the real base of the rare coin market, are coming out to buy.

Not only are many dealers busily striving to fill customer requests at the shows, but our longtime clients are calling New England daily with their rare coin want lists. Obviously, the true rare coin enthusiast recognizes this down period as an opportune time to buy, as it is unlikely that prices will ever be more favorable.

As an example of the stable collector base being the backbone of the rare coin industry, I should point out that the recent drop in the price of gold had very little impact on the rare coin market activity. This indicates to me that the individuals presently active in the numismatic marketplace understand the cyclical nature of the market, and do not panic when they see gold prices plummet. This is exactly why I urge numismatic investors to develop a "collector's mentality." The true collector sees a depressed market as the ideal time to acquire desired pieces for his collection at attractive prices. Unlike the inexperienced investor who jumped on the rare coin bandwagon at its peak, expecting to make a quick killing, the experienced collector realizes that prices will go up again, and doesn't panic when prices are down.

Specifically, silver dollars continue to dominate the market in terms of client demand. However, Franklin Halves are quickly becoming the most "sellable" coin in the U.S. market.

Also, collectors of type coins should certainly keep their eyes open, as there are some real bargains to be had in this area.

CURRENCY

Collector support for U.S. currency continues to be the brightest spot in the market. This is particularly evident with Colonial Currency. In our Metropolitan New York Sale, collectors made their presence felt with a \$10 North Carolina, August 21, 1775 VF Note bringing 500; a \$1/16 Rhode Island September 5, 1776 Choice AU Note realizing \$1000; and a recently discovered Vermont February 1781 £3 Note, graded "appears Choice About Uncirculated, but repaired, No. 2610, signed by E. Walbridge and Jn. Fasset," opened at \$6750 and sold for \$12,000 to a floor bidder! This represents the highest price ever paid for a Colonial note and demonstrates the powerful impact of rarity and condition. This note represents one of the highest grades for a Vermont Note and may also be the only £3 Note in this condition, although there are reports of perhaps 3 or 4 others in existence.

Aside from the collector interest

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in Colonial Currency, most of the recent transactions in Large Size and Fractional Currency have been confined to Gem Notes at very reasonable prices. Collectors are aware of the weakened market and bargains are obtainable.

The problem is locating Choice and Gem Notes at present price levels. As one dealer commented when seeing the minus signs on the *Currency Dealer Newsletter*, "There are some notes here that were simply unavailable in Gem condition two years ago in the heat of the market."

That is the state of the Market today: willing buyers at new, lower levels, but a virtual dearth of Gem Notes.

FOREIGN

The recent Metropolitan Sale presented evidence of a return of the collector to the foreign coin market. There was strong bidding from both collectors and dealers for coins of the highest quality and rarity.

A 1923 China Dollar, in MS-63 condition, brought a high bid of \$625 from a long-time collector who had been seeking this particular item for many years.

A rare Italian 1921-20 Lire coin, MS-63, the rarest of all Twentieth Century Crown-size silver coins, with only twenty coins struck, realized a very strong \$2300 as a result of intense bidding between two Italian coin specialists.

A Hamburg City-View medal by Sebastian Dadler, struck to commemorate the Peace of Westphalia (1653), also brought a solid \$1300.

In North American coinage, two items stood out. A Canadian Dollar, 1948, MS-65, Prooflike, and a key date for Canadian dollars, drew a high bid of \$1300. Receiving a high bid several times over its estimate was a Puerto Rican 1896 Ten Centavos MS-60, bringing in an outstanding \$1000.

As in other areas, collectors are beginning to realize that there are some real bargains available in foreign coinage at present and they are taking advantage of the situation. ■

ASSESSING THE F.U.N. AUCTION

BY GERRY CUDDYER

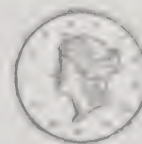
"Vigorous and competitive bidding" highlighted the recent Florida United Numismatists (F.U.N.) Sale, conducted by New England Rare Coin Auctions. NERCA's Director, Lee J. Bellisario, feels that this flurry of activity could indicate the firming of the rare coin market.

"In terms of numbers alone, this auction was a resounding success," said Bellisario. "Not only did the overall number of bidders increase substantially, the number of New England clients who bid successfully exceeded our average." All in all, a great deal of activity was noted in all three segments of the market: collectors, investors, and dealers.

The \$1.5 million in prices realized exceeded even NERCA's own expectations. "I found that the demand for truly superior rare coinage is on the rise, and it was particularly encouraging that more participants than ever were willing to pay higher prices for the quality coins being offered at the F.U.N. Sale," said Bellisario.

Bellisario interprets this growing demand for quality coins as a good sign for the numismatic industry. "With a demand for quality coinage surfacing again, those people who are holding these coins will enter the marketplace. I think it's a good time for exceptional coinage to be purchased at prices which are not overly inflated. Additionally, the success of the F.U.N. Sale demonstrates that the auction process is a legitimate vehicle to both liquidate and purchase quality coinage at a fair market value."

The performance of Franklin Halves at the auction were particularly indicative of the optimistic attitude pervading the rare coin marketplace. Several Franklin Half Dollars went for three times their



value. One example of this type, a 1949-S Franklin Half, MS-69, garnered an impressive \$1000.

The F.U.N. Auction also featured the outstanding Orchard Hill Collection, which included a complete set of Charlotte Gold from the regional mint established at Charlotte, North Carolina in the mid-nineteenth century. This mint, along with another at Dahlonaga, Georgia, were set up to take advantage of the nation's first gold rush. The gold pieces from these mints generated tremendous enthusiasm among auction-goers.

One standout piece from the collection, the acknowledged "King" of the Charlotte Gold set, was an 1849-C Type One, Open Wreath, AU-53. One of only a handful known to exist, and the best example of its issue, this superb coin commanded a high bid of \$50,000.

Impressive prices were also realized by a 1793 Chain Cent, bringing \$15,000, and a 1796 15-Stars Half Dollar, leading the silver category with a sale price of \$20,500.

In addition to Franklin Halves, other twentieth century coinage also performed well, with a key 1924-S, MS-63 Buffalo Nickel drawing \$800, while a brilliant 1937 Proof-65, coin of the same type received a high bid of \$1450.

Highlighting the foreign segment of the F.U.N. Auction was the sale of a Belgium 1834 Five Francs, MS-60, selling for \$1200, and a Prooflike 1895 Puerto Rican One Peso, scoring a sound \$1800.

Striking successes were also recorded in the burgeoning area of U.S. currency. An extremely rare 1895 Republic of Hawaii \$5 note brought \$5600. A record high bid of \$2600 was achieved by a \$5 1909 Bank of Puerto Rico note in Very Fine condition.

Although it is still too early to make any predictions, we may be seeing the beginning of an upward trend in the market cycle, highlighted by the return of the collector to the rare coin marketplace. The collector has always been the stabilizer in the numismatic industry, and the results of this auction indicate that serious collectors are once again seeking quality coinage at reasonable prices.

NERCA is looking forward with anticipation to its remaining sales for 1982, including The Metro Sale in New York and the 1982 Boston Auction.

NERCA then plans to wind up its auction year back in New York with the Grand Central Auction, running from November 3 through 7. August 22 is the consignment deadline for this sale. ■

HOW NEW ENGLAND ASSEMBLES A RARE COIN PORTFOLIO

BY ANN ALONGI
WITH DARCY DEMARCO

New England Rare Coin Galleries prides itself upon the personalized service it renders to its many clients. One of these services is the assembly of a rare coin portfolio carefully tailored to the needs of each client.

When an individual decides to invest in rare coins through New England, a member of the professional numismatic staff considers a series of factors pertaining to the investor, which will determine how the portfolio is organized. Said New England numismatist Ann Alongi, "We take into consideration who the potential investor is, and what percentage of his assets he will be investing. Additionally, we use guidelines, such as whether the client already has some rare coins and is adding to a collection; whether he wants a diversified portfolio; and what his investment goals are."

The New England numismatist then examines the assembled information and works to develop an individualized portfolio which will reflect the investor's needs and desires. According to Alongi, "Every portfolio is different, because each investor is unique, and at New England, we believe that the portfolio must be tailored to serve the client in the best way possible."

New England offers four categories of portfolios for clients to choose from: Diversified, Gold,

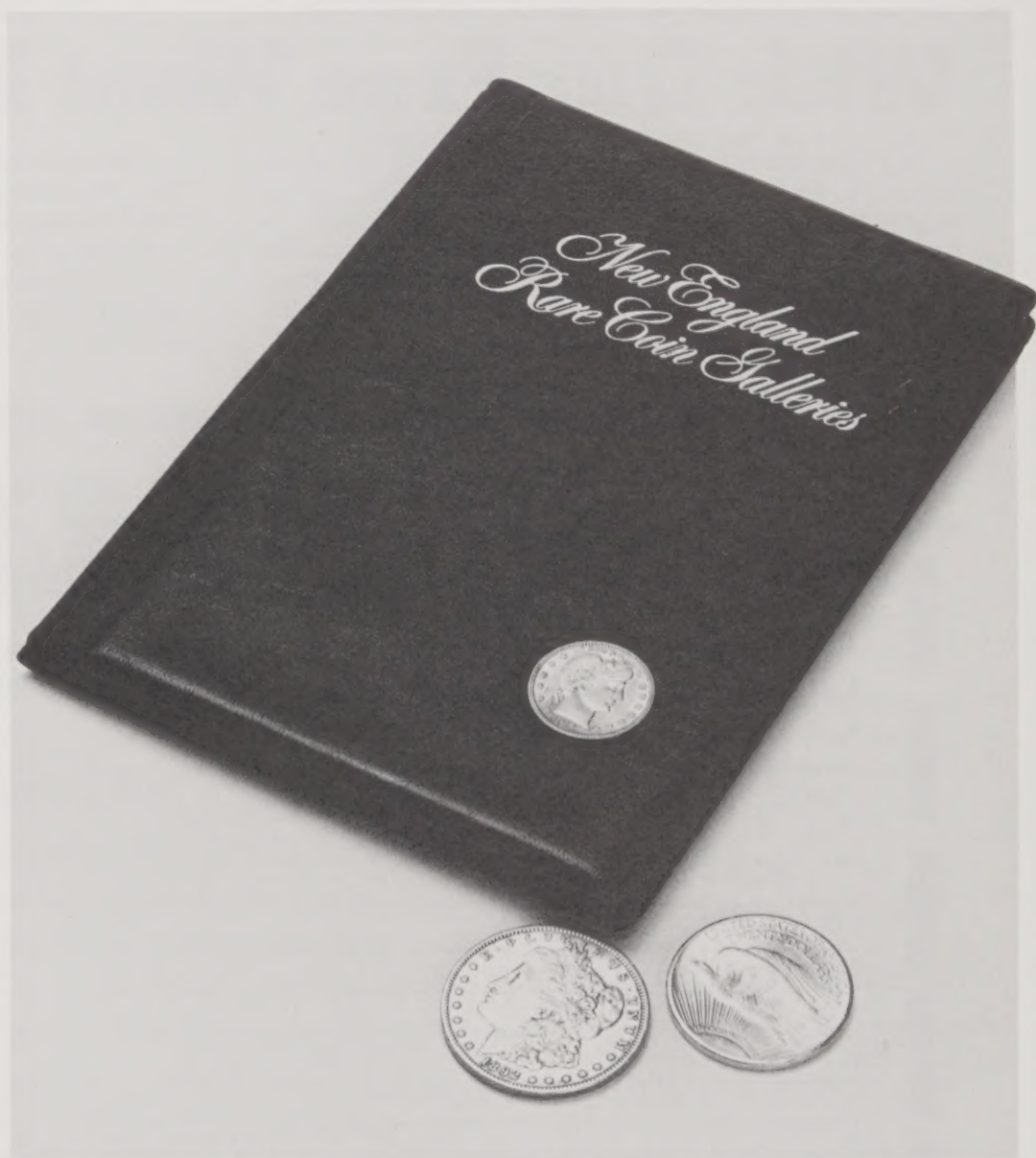


Silver, and Gold and Silver. The diversified portfolio is most often recommended by New England, and consists of U.S. coins (70%), world coinage (20%), and U.S. currency (10%). If the investor desires particular coins included in his portfolio, he works with his numismatist and account executive to assemble the coins he desires.

After the coins have been chosen, they are photographed for their

future owner. The photographs allow the owner to enjoy the beauty of his or her coins while those coins are resting securely in the owner's personal safe deposit box or vault. A special booklet, describing the owner's coins, is also sent to him, along with a certificate of guaranteed grading and authenticity. The coins are placed in an attractive coin wallet, and the entire package is shipped to the

"The grading guarantees offered with New England's portfolios are among the strongest in the numismatic industry."



investor. This procedure, including choosing the coins, photography and the preparation of the grading guarantee, usually takes a week to complete.

To be certain that the investor is absolutely satisfied with his coins, New England offers what has been termed "the most liberal return policy in the rare coin business." The investor has forty-five days to inspect the coins and decide

whether the portfolio is satisfactory. If for any reason he is dissatisfied, he can return the coins with no questions asked.

The grading guarantees offered with New England's portfolios are among the strongest in the numismatic industry. The Certificate of Guaranteed Grading and Authenticity, signed by New England's founder and Chairman of the Board, James L. Halperin,

guarantees that each coin purchased is graded accurately, and will be auctioned at the same grade when the investor wishes to sell. In addition, it guarantees the authenticity of each coin, stating that, if an altered or non authentic coin is sold by New England, the firm will not only refund the full purchase price, but will pay 20% interest compounded per year on each coin discovered. ■

NO MORE HIDE & SEEK.

With Our Free Want List Service.

If the rare coins you've been looking for just can't be found, call on us. We're New England Rare Coin Galleries, world's largest rare coin dealer. Through our vast network of numismatic contacts, and our computerized inventory facilities, we can help you find the rare coins you want most. What's more, our finder's fee for this service is a very round number: \$0.

Put the world's largest rare coin dealer to work for you today. Fill out this convenient Want List coupon and drop it in the mail. You've nothing to lose, and a very special collection to complete.

For more immediate attention, call New England toll-free: 800-225-6794, Ext. 538. (In Mass. only: 617-227-8800, Ext. 538.) We'll be happy to take your Want List over the phone.

WANT LIST

New England: Please help me locate the following coins for my collection. I understand you will charge me *no* finder's fee for locating these coins.

DATE	DENOMINATION	GRADE RANGE	PRICE RANGE

Use additional sheet to list additional coins.

Mail to:

New England Rare Coin Galleries,
P.O. Box 1776, Boston, MA 02105.

Name _____

Address _____

City, State, Zip _____

Daytime tel. () _____

Our Guarantee

We guarantee that coins and currency purchased from us are graded correctly and will meet our high standards when you wish to sell them. Further, we guarantee to sell these coins and/or currency items for you at auction cataloged at the same grade at which you purchased them provided that the items have not been mishandled in your care. You may also offer them to our Purchasing Department for direct sale at prevailing market prices for coins or currency of the same grade, subject to our current inventory needs.

We further guarantee the authenticity of all coins and currency listed. As proof of our certainty that no counterfeit or altered coin or currency item can escape our attention, we will guarantee to refund the purchase price plus 20% interest compounded per year on any non-authentic coin or currency item sold by New England Rare Coin Galleries.

Each coin has been graded and authenticated personally by, or under the supervision of, James Halperin, Chairman of the Board.

Our Grading Standards

Rare Coins

The numerical scale and terminology below correspond to The American Numismatic Association's official grading standards.

Poor-1	VF-35	MS-67
Fair-2	EF-40	MS-68
AG-3	EF-45	MS-69
G-4	AU-50	MS-70
G-6	AU-53	Proof-60
VG-8	AU-55	Proof-63
VG-10	AU-58	Proof-64
Fine-12	MS-60	Proof-65
Fine-15	MS-63	Proof-66
VF-20	MS-64	Proof-67
VF-25	MS-65	Proof-68
VF-30	MS-66	Proof-69
		Proof-70

U.S. Currency

Unlike coins, collectible currency grades are indicated by terminology alone, with no accompanying numerical designations. Our terminology is:

About Good
Good
Very Good
Fine
Very Fine
Extremely Fine
About Uncirculated
New Note
Choice New Note
Gem New Note

TO ORDER

Once you have decided upon the coins and/or currency you would like, call New England Rare Coin Galleries, toll-free, to reserve your purchases. (Our toll-free number is listed below.) Then, complete the order form on the next page and send it to New England in the pre-paid business envelope provided. Our numismatists will send you your coins and/or currency promptly.

Please remember that, due to current coin market activity, coins and currency featured in this publication are subject to prior sale and to changes in price without notice. It is always a good idea to call New England before you order to confirm the availability and price of the pieces you want.

If, for any reason, you are not satisfied with your purchases, you may return them within 45 days of the date you purchased them for a full refund or replacement.

New England's vast inventory contains hundreds of items not listed in this publication. If you don't see what you're looking for, call our toll-free number. Or send us your Want List and we'll use our computerized facilities to help you locate the coins your desire. (There is no charge for Want List service, and you are under no obligation to buy.)

CASH PAYMENTS

We suggest that you never send cash through the mail. When ordering coins from New England, enclose a check or money order with your order form.

CREDIT CARDS

New England honors VISA, Master Card, and American Express. We also offer our own card, the New England Personal Service Card, entitling you to:

Approval Account Service: Through which you can personally examine coins before you purchase them (\$100 minimum order, payment in full due in 30 days.)

Deferred Payment Service: Makes financing your rare coin purchases easy. You pay 25% down and 25% each 30 days for a maximum of 90 days, with no interest charges! \$500 is the minimum order allowed under this plan, and \$5000 the maximum. The date of purchase is the initial date for payment on the deferred payment plan.

To apply for your New England Personal Service Card, call toll-free.

ORDERING ASSISTANCE

For ordering assistance, call New England, toll-free: 800-225-6794. (In Massachusetts only: 617-227-8800.)

ORDER FORM

Make all checks payable to New England Rare Coin Galleries. Mass. residents, add 5% Sales Tax.

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| <input type="checkbox"/> 1907 Saint-Gaudens \$20 Gold | _____ |
| <input type="checkbox"/> Six Piece Gold Type Set | _____ |
| <input type="checkbox"/> Morgan Dollar Set: Carson City | _____ |
| <input type="checkbox"/> Morgan Dollar Set: New Orleans | _____ |
| <input type="checkbox"/> Both Morgan Dollar Sets | _____ |

RARE COIN GUILD OFFERINGS:

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|--|----------|
| <input type="checkbox"/> Walking Liberty/Mercury Dime Set | \$ _____ |
| <input type="checkbox"/> Stone Mountain Commemorative | _____ |
| <input type="checkbox"/> Japanese Sen | _____ |
| <input type="checkbox"/> Please send me more information on the Rare Coin Guild. | |

MASS. RESIDENTS, ADD 5% SALES TAX

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CARD NUMBER

SIGNATURE

DATE

SHIPPING INSTRUCTIONS: Please Print

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STREET

CITY, STATE, ZIP

(_____) _____
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SPECIAL INSTRUCTIONS

If any sales, use or other tax is due as a result of this purchase, I hereby accept the responsibility to pay for it.

PURCHASER SIGNATURE

DATE